



COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294
(323) 881-2401

DARYL L. OSBY
FIRE CHIEF
FORESTER & FIRE WARDEN

REVISED

August 30, 2011

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

31 September 13, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Dear Supervisors:

**REQUEST APPROVAL OF TAX RATE LEVY FOR THE FISCAL YEAR 2011-12
VOTER-APPROVED FIRE PROTECTION DISTRICT SPECIAL TAX
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

Approval of the attached resolution will authorize the Fiscal Year 2011-12 levy of the Consolidated Fire Protection District's (District) special tax generating an estimated \$73.5 million for fire protection and emergency medical services throughout the District, an increase of \$6 million from 2010-11. The rate for a single family home would increase from \$56.17 to \$61.04, with proportional increases in all other rates.

**IT IS RECOMMENDED THAT YOUR HONORABLE BOARD, ACTING AS THE
GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT:**

1. Adopt the attached resolution fixing the Fiscal Year 2011-12 tax rate for the Consolidated Fire Protection District of Los Angeles County voter-approved special tax.
2. Instruct the Fire Chief and the Auditor-Controller to take all actions necessary to implement the special tax levy at the rates specified in the attached resolution for Fiscal Year 2011-12.

SERVING THE UNINCORPORATED AREAS OF LOS ANGELES COUNTY AND THE CITIES OF:

AGOURA HILLS
ARTESIA
AZUSA
BALDWIN PARK
BELL
BELL GARDENS
BELLFLOWER
BRADBURY

CALABASAS
CARSON
CERRITOS
CLAREMONT
COMMERCE
COVINA
CUDAHY

DIAMOND BAR
DUARTE
EL MONTE
GARDENA
GLEN DORA
HAWAIIAN GARDENS
HAWTHORNE

HIDDEN HILLS
HUNTINGTON PARK
INDUSTRY
INGLEWOOD
IRWINDALE
LA CANADA FLINTRIDGE
LA HABRA

LA MIRADA
LA PUENTE
LAKEWOOD
LANCASTER
LAWNDALE
LOMITA
LYNWOOD

MALIBU
MAYWOOD
NORWALK
PALMDALE
PALOS VERDES ESTATES
PARAMOUNT
PICO RIVERA

POMONA
RANCHO PALOS VERDES
ROLLING HILLS
ROLLING HILLS ESTATES
ROSEMEAD
SAN DIMAS
SANTA CLARITA

SIGNAL HILL
SOUTH EL MONTE
SOUTH GATE
TEMPLE CITY
WALNUT
WEST HOLLYWOOD
WESTLAKE VILLAGE
WHITTIER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

As reflected in the District's adopted budget for 2011-12, the District is proposing an adjustment in the special tax of \$4.87 per single family home, an increase of less than 50 cents a month, with proportional rate increases for other property use types. For several years, property tax growth enabled the District to recommend levying rates lower than those approved by the voters in 1997. However, the continued economic downturn and resultant drop in property tax revenue now necessitates this rate adjustment.

The District has consistently utilized special tax revenues in a prudent manner. Over the last 14 years, rates have been increased only three times, and in one year, rates were reduced. The District has continued \$18.4 million in curtailments and expenditure freezes that were implemented in 2008-09. An additional \$20 million in curtailments were implemented in 2010-11, resulting in no increase in the special tax last year.

Despite these efforts, an increase in the special tax is now needed to help offset a \$22 million budget deficit in 2011-12 and a projected \$48 million annual deficit beginning in 2012-13 and beyond. The 2011-12 deficit will be resolved by using \$16 million in one-time monies set aside for budget uncertainties and capital projects, and \$6 million of the recommended increase in special tax revenue. The budget deficit in 2012-13 and beyond will be offset with the recommended special tax increase, use of one-time reserve funds, additional cost efficiencies/savings, and/or other revenue sources.

The adjustment recommended for 2011-12 would result in the special tax levy for a single family home rising from \$56.17 to \$61.04, a \$4.87 annual increase, with proportional increases of 8.7% for other property use types as specified in the attached resolution. This additional revenue, in conjunction with the use of one-time funds, is an essential component in funding fire protection and emergency medical services in 2011-12.

Independent Citizens' Oversight Committee

The Independent Citizens' Oversight Committee (ICOC) met on August 3, 2011, and made the required annual finding that the District is using the special tax funds only for providing fire protection and emergency medical services. Their report is attached.

Implementation of Strategic Plan Goals

This action is consistent with the Strategic Plan Goal of Fiscal Sustainability, Goal 1.1, as the special tax provides long-term revenue that is essential for maintaining fire protection and emergency medical services.

FISCAL IMPACT/FINANCING

The District's Fiscal Year 2011-12 Adopted Budget reflects \$73.5 million in special tax revenue, which included a projected increase of \$6 million. This increase, when balanced with curtailments and one-time funds, will provide sufficient funding for Fiscal Year 2011-12. There is no impact on net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Health and Safety Code Section 13911 and California Government Code Section 50075 et seq. authorize the levying of the special tax. Your Board may levy the rate at any amount up to the maximum rates as indicated on Exhibit I. Approval of the resolution will levy the special tax at a rate of \$61.04 per single family home, with rates for other property use types as specified in the resolution.

County Counsel has approved the resolution as to form.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Levying the special tax rate at \$61.04 per single family home, with rates for other property use types as specified in the resolution, will generate essential funding to continue providing fire protection and emergency medical services to the residents of Los Angeles County protected by the District.

CONCLUSION

Upon adoption by your Honorable Board, please instruct the Executive Officer, Clerk of the Board to return two (2) copies of the Minute Order and/or this approved letter and resolution, as applicable, to this office.

Respectfully submitted,



DARYL L. OSBY, FIRE CHIEF

DLO:ml

Attachments

c: Chief Executive Officer
County Counsel
Auditor-Controller
Executive Officer, Board of Supervisors

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF
LOS ANGELES ACTING AS THE GOVERNING BODY OF THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY
FIXING THE SPECIAL TAX RATE FOR THE
CONSOLIDATED FIRE PROTECTION DISTRICT
AND LEVYING THE SPECIAL TAX UPON THE
TAXABLE PROPERTY OF THE COUNTY OF LOS ANGELES FOR THE
FISCAL YEAR 2011-2012

WHEREAS, on June 3, 1997, the voters within the cities of Agoura Hills, Artesia, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Bradbury, Calabasas, Carson, Cerritos, Claremont, Cudahy, Diamond Bar, Duarte, Glendora, Hawaiian Gardens, Hidden Hills, Huntington Park, Industry, Irwindale, La Canada Flintridge, Lakewood, La Mirada, Lancaster, La Puente, Lawndale, Lomita, Malibu, Maywood, Norwalk, Palmdale, Paramount, Pico Rivera, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, Santa Clarita, Signal Hill, South El Monte, South Gate, Temple City, Walnut, West Hollywood, Westlake Village and Whittier, and within the unincorporated area of the County of Los Angeles (the "County"), approved a special tax for fire protection and paramedic services (the "special tax"); and

WHEREAS, certain special tax rates were approved, based upon property use type and size of improvements, to be annually adjusted by a maximum of the lesser of (i) 2 percent or (ii) the California Consumer Price Index, which maximum special tax

rates are herein specified in Exhibit 1 attached to this Resolution, hereinafter referred to as “maximum rates”; and

WHEREAS, the Board of Supervisors may annually levy an amount up to the maximum rates for the special tax as approved by the voters; and

WHEREAS, the Board of Supervisors desires to levy the special tax at the maximum rates approved by voters, as specified and fixed in Exhibit 2 attached to this Resolution.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to Section 13911 of the Health and Safety Code of the State of California and Section 50075 *et seq.* of the Government Code of the State of California, the Board of Supervisors of the County of Los Angeles, acting as the governing body of the Consolidated Fire Protection District of Los Angeles County, does hereby levy the special tax upon the taxable property of the County within the cities of Agoura Hills, Artesia, Azusa, Baldwin Park, Bell, Bellflower, Bell Gardens, Bradbury, Calabasas, Carson, Cerritos, Claremont, Cudahy, Diamond Bar, Duarte, Glendora, Hawaiian Gardens, Hidden Hills, Huntington Park, Industry, Irwindale, La Canada Flintridge, Lakewood, La Mirada, Lancaster, La Puente, Lawndale, Lomita, Malibu, Maywood, Norwalk, Palmdale, Paramount, Pico Rivera, Rancho Palos Verdes, Rolling Hills, Rolling Hills Estates, Rosemead, San Dimas, Santa Clarita, Signal Hill, South El Monte, South Gate, Temple City, Walnut, West Hollywood, Westlake Village and Whittier, and within the unincorporated area of the County, at the maximum rates allowed, as specified and fixed in Exhibit 2 attached to this Resolution.

The foregoing resolution was on the 13th day of September, 2011,
adopted by the Board of Supervisors of the County of Los Angeles and *ex-officio* the
governing body of all other special assessment and taxing districts, agencies and
authorities for which said Board so acts.



SACHI A. HAMAI, Executive Officer-
Clerk of the Board of Supervisors of the County
of Los Angeles

By Lachelle Amtheman
Deputy

APPROVED AS TO FORM:

ANDREA S. ORDIN
County Counsel

By Scott Kuhn for SK
Scott Kuhn, Senior Deputy

SUMMARY OF MAXIMUM RATES FOR PROPOSITION E

VOTER-APPROVED SPECIAL TAX FOR THE

CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY

LAND USE	MAXIMUM RATES*	
	<i>(.753% Increase)</i>	
	2010-11	2011-12
Single Family Residential	\$60.58	\$61.04
Mobile Home in Park	30.29	30.52
Multiple Family Residential	76.53	77.11
+ Square Footage Rate (over 1,555 sq. ft.)	0.0077	0.0078
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)	0.0072	0.0073
Non-Residential	73.32	73.87
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0494	0.0498
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0474	0.0478
High Rise	89.26	89.93
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0603	0.0608
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0576	0.0580
Special Use	111.58	112.42
+ Square Footage Rate (over 1,555 sq. ft.)**	0.0753	0.0759
+ Square Footage Rate with sprinkler credit (over 1,555 sq. ft.)**	0.0719	0.0724
Vacant-2 acres or less	15.15	15.26
Vacant-2+ acres to 10 acres	19.99	20.14
Vacant-10+ acres to 50 acres	40.00	40.30
Vacant-50+ acres	60.58	61.04

* Maximum rates may not necessarily be the actual rates imposed by the Los Angeles County Board of Supervisors.

** Capped at 100,000 square feet.

See Appendix A to the Amended and Restated Resolution of the Board of Supervisors March 4, 1997 for a full explanation of land use categories and the application of the special tax rates.

**PROPOSITION E — VOTER-APPROVED SPECIAL TAX FOR THE
CONSOLIDATED FIRE PROTECTION DISTRICT OF LOS ANGELES COUNTY**

Special Tax Rates for Fiscal Year 2011-2012

Land Use	Special Tax Rate	Special Tax Rate w/Sprinkler Credit
Single Family Residential	\$61.04	NOT APPLICABLE
Mobile Home in Park	\$30.52	NOT APPLICABLE
Multiple Family Residential	\$77.11 + \$.0078 per sq. ft. over 1,555 sq. ft.	\$77.11 + \$.0073 per sq. ft. over 1,555 sq. ft.
Non-Residential	\$73.87 + \$.0498 per sq. ft. over 1,555 sq. ft.*	\$73.87 + \$.0478 per sq. ft. over 1,555 sq. ft.*
High Rise	\$89.93 + \$.0608 per sq. ft. over 1,555 sq. ft.*	\$89.93 + \$.0580 per sq. ft. over 1,555 sq. ft.*
Special Use	\$112.42 + \$.0759 per sq. ft. over 1,555 sq. ft.*	\$112.42 + \$.0724 per sq. ft. over 1,555 sq. ft.*
Vacant Land - 2 acres or less	\$15.26	NOT APPLICABLE
Vacant Land - more than 2 acres and less than or equal to 10 acres	\$20.14	NOT APPLICABLE
Vacant Land - more than 10 acres and less than or equal to 50 acres	\$40.30	NOT APPLICABLE
Vacant Land - more than 50 acres	\$61.04	NOT APPLICABLE

*Capped at 100,000 square feet per parcel.

INDEPENDENT CITIZENS' OVERSIGHT COMMITTEE

Los Angeles County Fire Department Special Tax

August 3, 2011

Committee Members
Bryce Anderson
Jim Goldsworthy
Pilar M. Hoyos
Charles Rim

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Ex Officio Member
Isaac D. Barcelona

Dear Supervisors:

REPORT OF COMMITTEE FINDINGS

The purpose of this letter is to report the findings of the Independent Citizens' Oversight Committee's (ICOC) review of the expenditure of the Fire Department's special tax revenue. As required by the provisions of the Proposition E special tax measure of 1997, the ICOC was provided and reviewed the Fire Station Final 2010-11 Staffing Costs dated July 26, 2011, the Funding Sources for Fire Protection and Emergency Medical Services for Fire Station Personnel chart for Fiscal Year 2010-11, and the History of Special Tax Levy through 2011-12 to determine that the special tax revenue for Fiscal Year 2010-11 was expended for fire protection or paramedic rescue services.

Background

In accordance with Proposition E, the Board established the ICOC. The ICOC consists of a representative from each Board office, a city council representative appointed by the Los Angeles County City Selection Committee and the Chair of the Los Angeles County Economy and Efficiency Commission as an *ex officio* member. The duties prescribed for the ICOC are as follows:

- Meet at least once in each fiscal year.
- Review expenditures paid from the special tax to ensure that such expenditures are for "Fire Protection or Paramedic Rescue Services," which specifically include emergency paramedic rescue, firefighting, search and rescue, and hazardous materials and disaster response.
- Report the Committee's findings to the Board of Supervisors, which satisfies the public reporting requirement.

The ICOC met on August 3, 2011, at which time Committee members were briefed on the Fiscal Year 2011-12 Funding and Expenditure Projections.

Findings

With regard to the expenditure of special tax revenues in 2010-11, the Committee finds that the 2010-11 special tax revenues of \$68 million were expended for fire protection and paramedic services of \$414.3 million in accordance with provisions of Proposition E.

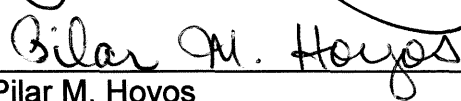
Respectfully submitted,



Bryce Anderson



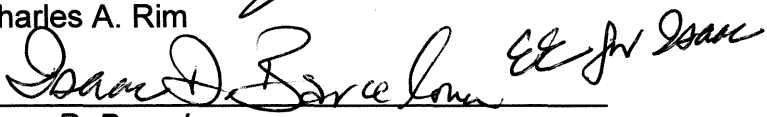
Jim Goldsworthy



Pilar M. Hoyos



Charles A. Rim



Isaac D. Barcelona

da

c: Executive Officer, Board of Supervisors